

No Securities Commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

This Offer is not and under no circumstances is to be construed as an Offer to any resident of the United States of America or any of the territories or possessions thereof.

**OFFER TO PURCHASE SHARES OF CANADIAN GOLDALE
CORPORATION LIMITED FOR SHARES
OF TOKAR LIMITED**

This Offer will expire at 5:00 p.m. Toronto Time on Wednesday, the 14th Day of January, 1970.

December 12, 1969

TO: Holders of Shares of Canadian Goldale Corporation Limited (other than those resident in the United States of America or in the territories or possessions thereof).

1. TOKAR LIMITED (Tokar) hereby offers to purchase from you and other holders of the shares (Goldale Shares) of CANADIAN GOLDALE CORPORATION LIMITED (Goldale), as now constituted, 500,000 issued and outstanding fully paid and non-assessable Goldale Shares for a consideration per Goldale Share purchased of THREE SHARES of Tokar on the terms and subject to the conditions set forth below and in the Letter of Transmittal accompanying this Offer.

2. Tokar will pay all expenses of this Offer, including any applicable transfer taxes.

3. This Offer will expire at 5:00 P.M. o'clock, Toronto Time, on January 14, 1970.

4. Subject to the conditions stated herein and in the Letter of Transmittal, payment of the consideration for the Goldale Shares purchased will be made within 14 days after the expiration of this Offer.

5. This Offer is subject to the conditions that Goldale will not, during the term of this Offer:

- (i) declare or pay any dividends on Goldale Shares;
- (ii) issue, or enter into any arrangement providing for the issue of, any shares in its capital;
- (iii) enter into any arrangement providing for the recapitalization or reorganization of Goldale or its amalgamation with any other company, or the sale of any substantial part of its assets to, or the purchase by it of any substantial part of the assets of, any other company; or
- (iv) enter into any contract or become involved in any transaction or activity that is not in the ordinary course of business in accordance with its prior practice.

6. Shareholders desiring to tender their Goldale Shares for purchase should deposit the certificates evidencing the same, accompanied by the Letter of Transmittal, with Canada Permanent Trust Company as Exchange Agent (the Exchange Agent) at the address given in paragraph 7 below, or deliver the certificates to their own bank, trust company, investment dealer or broker for deposit with the Exchange Agent. Any Goldale Shares deposited with the Exchange Agent may be withdrawn at any time up to and including January 5, 1970, but after that time all deposits shall be irrevocable until the Goldale Shares deposited are purchased or returned.

7. The completed Letter of Transmittal and the certificates evidencing your Goldale Shares in proper form for transfer should be sent to the Exchange Agent addressed as follows:

Canada Permanent Trust Company,
1901 Yonge Street,
Toronto 295, Canada.

8. Tokar's purchase of Goldale Shares under this Offer shall include the right of Tokar to receive any dividends or other distributions with respect to such Goldale Shares which may be declared or made by Goldale to shareholders of record on or after December 12, 1969.

9. Tokar reserves the following rights, exercisable by notice to the Exchange Agent:

(a) to waive any of the terms or conditions of this Offer or any defect in the tender or deposit of Goldale Shares:

(b) to purchase more or less than 500,000 Goldale Shares if more or less than that number are tendered for purchase pursuant to this Offer.

10. If more than 500,000 Goldale Shares are tendered and Tokar does not purchase all the Goldale Shares tendered in excess of 500,000, the Goldale Shares purchased by Tokar will be taken up and paid for as nearly as may be *pro rata* according to the number of Goldale Shares tendered by each holder, and certificates representing Goldale Shares tendered but not purchased will be returned to the holders by the Exchange Agent.

11. This Offer and any contract resulting from the acceptance hereof shall be interpreted in accordance with and be governed by the laws of the Province of Ontario.

TOKAR LIMITED

By KENNETH A. ROBERTS
President

and H. HUNTER
Secretary-Treasurer

TAKE-OVER BID CIRCULAR OF TOKAR LIMITED

Forming part of the Offer dated December 12, 1969, (the Offer) by Tokar Limited (Tokar) to purchase 500,000 of the issued and outstanding fully paid and non-assessable shares (Goldale Shares) of Canadian Goldale Corporation Limited (Goldale).

Securities of Goldale

Set forth below are the number of securities of Goldale beneficially owned, directly or indirectly, by Tokar and by any associate of Tokar and by each Director and Senior Officer of Tokar and their associates, and, so far as is known to the Directors and Senior Officers of Tokar by any person or company who beneficially owns, directly or indirectly, more than 10 per cent of the outstanding shares of Tokar:

<u>Owner</u>	<u>Association</u>	<u>Holding</u>
Tokar		64,006 shares
K. A. Roberts	Director and President of Tokar	40,501 shares
C. F. Watson	Director and Vice-President of Tokar	13,000 shares
A. H. Honsberger	Director of Tokar	1,500 shares
H. Hunter	Director and Secretary-Treasurer of Tokar	30 shares
S. L. Jaske	Director of Tokar	1,500 shares
Olga Roberts	Wife of K. A. Roberts	3,308 shares
Elaine Roberts	Daughter of K. A. Roberts	3,400 shares
Kenneth Roberts	Son of K. A. Roberts	3,400 shares
Linda Roberts	Daughter of K. A. Roberts	3,400 shares
Allan Roberts	Son of K. A. Roberts	3,400 shares
Elka Estates Limited	Associate of K. A. Roberts	25,000 shares
Ethel Watson	Wife of C. F. Watson	1,650 shares
S. L. Jaske Limited	Associate of S. L. Jaske	4,500 shares

The following table sets forth the trades in Goldale Shares by or for Tokar and the other persons and companies mentioned in the column above headed "Owner" during the period from June 12, 1969, to December 12, 1969:

<u>Name</u>	<u>Date</u>	<u>Shares Bought</u>	<u>Shares Sold</u>	<u>Price</u>
Tokar	August 29	1,800		\$7
		1,100		7 $\frac{1}{8}$
	September 5	500		7 $\frac{3}{8}$
		800		7 $\frac{1}{2}$
	September 8	100		7 $\frac{1}{4}$
	September 9	300		7 $\frac{1}{2}$
		100		7 $\frac{1}{4}$
	September 10	500		8
		4,500		7 $\frac{3}{4}$
	September 12	200		7 $\frac{1}{2}$
	September 29	300		7 $\frac{7}{8}$
		200		7 $\frac{3}{4}$
		900		7 $\frac{5}{8}$
		300		7 $\frac{7}{8}$
	September 30	200		7 $\frac{3}{4}$
		300		8
	October 8	300		8
	October 9	100		7 $\frac{7}{8}$
		100		8
	October 10	300		8
		700		7 $\frac{3}{4}$
	October 14	300		8
	October 15	100		8

<u>Name</u>	<u>Date</u>	<u>Shares Bought</u>	<u>Shares Sold</u>	<u>Price</u>
Tokar (cont'd)	October 20	100		$77\frac{7}{8}$
	October 22	500		$77\frac{7}{8}$
		100		8
		100		$81\frac{1}{8}$
		200		$83\frac{3}{8}$
	November 3	100		$81\frac{1}{8}$
	November 14	1,300		$77\frac{7}{8}$
	November 19	900		$73\frac{3}{4}$
	November 27	100		$71\frac{1}{2}$
		300		$71\frac{1}{4}$
	December 1	500		$71\frac{1}{4}$
		200		7
	December 5	6,920		7
		100		$73\frac{3}{8}$
	December 8	300		7
K. A. Roberts	October 1		12,200	$81\frac{1}{4}$
	October 8		21,000	$71\frac{1}{2}$
C. F. Watson	October 1		20,000	$81\frac{1}{4}$
Olga Roberts	September 9	1,000		7
	October 1		7,000	$81\frac{1}{4}$
	October 8	3,000		$71\frac{1}{2}$
	October 15	700		$73\frac{3}{4}$
	October 16	300		$73\frac{3}{4}$
Elaine Roberts	July 2	1,200		8
	July 9		900	$91\frac{1}{2}$
	July 11		200	$83\frac{3}{4}$
	August 26	500		7
	September 8	1,500		7
	September 19	500		$71\frac{1}{2}$
	September 29	725		$73\frac{3}{4}$
	October 1		4,000	$81\frac{1}{4}$
	October 8	3,000		$71\frac{1}{2}$
	November 28	400		$71\frac{1}{4}$
Kenneth Roberts	July 2	1,200		8
	July 9		900	$91\frac{1}{2}$
	July 11		200	$83\frac{3}{4}$
	August 26	500		7
	October 1		4,000	$81\frac{1}{4}$
	October 8	3,000		$71\frac{1}{2}$
	November 28	400		$71\frac{1}{4}$
Linda Roberts	July 2	1,200		8
	July 9		900	$91\frac{1}{2}$
	July 11		200	$83\frac{3}{4}$
	August 26	500		7
	September 8	1,500		7
	September 19	800		$71\frac{1}{2}$
	September 29	125		$73\frac{3}{4}$
	October 1		4,000	$81\frac{1}{4}$
	October 8	3,000		$71\frac{1}{2}$
	November 28	400		$71\frac{1}{4}$
Allan Roberts	July 2	1,200		8
	July 9		800	$91\frac{1}{2}$
	July 11		200	$83\frac{3}{4}$

<u>Name</u>	<u>Date</u>	<u>Shares Bought</u>	<u>Shares Sold</u>	<u>Price</u>
Allan Roberts (cont'd.)	August 26	100		7 $\frac{1}{8}$
	August 26	400		7
	September 8	1,500		7
	September 19	900		7
	October 1		4,000	8 $\frac{1}{4}$
	October 8	3,000		7 $\frac{1}{2}$
	November 28	400		7 $\frac{1}{4}$
	November 3	25,000		7
Elka Estates Limited	June 18	100		9 $\frac{7}{8}$
S. L. Jaske Limited	June 26	100		8 $\frac{3}{8}$
	June 27	100		8
		100		8 $\frac{1}{4}$
	October 9	100		8 $\frac{1}{2}$
	December 1	500		7 $\frac{1}{4}$

Tokar may at any time purchase additional Goldale Shares, either by private contract or in the market. Any such purchases will not affect the obligation of Tokar under the Offer to purchase 500,000 Goldale Shares on the terms and subject to the conditions contained therein.

Method and Time for Payment of Consideration for Goldale Shares

Payment for Goldale Shares purchased pursuant to the Offer will be made within 14 days after the expiration of the Offer by Canada Permanent Trust Company (the Exchange Agent) on behalf of Tokar, and for this purpose sufficient shares of Tokar will be made available to the Exchange Agent by Tokar.

Withdrawal of Goldale Shares Tendered

Goldale Shares tendered and deposited with the Exchange Agent pursuant to the Offer may be withdrawn by the holder thereof at any time up to and including January 5, 1970.

Volume of Trading and Price Range of Goldale Shares

The following is a summary showing the volume of trading and the price range of Goldale Shares on the Toronto Stock Exchange and the Canadian Stock Exchange during the periods indicated:

	<u>Period</u>	<u>Volume</u>	<u>High</u>	<u>Low</u>
TSE	June, 1969	124,811	12 $\frac{3}{4}$	7 $\frac{1}{4}$
	July, 1969	96,021	9 $\frac{3}{4}$	7
	August, 1969	58,526	7 $\frac{5}{8}$	6 $\frac{3}{4}$
	September, 1969	84,083	8 $\frac{1}{2}$	7 $\frac{1}{8}$
	October, 1969	304,854	8 $\frac{5}{8}$	7 $\frac{3}{4}$
	November, 1969	35,250	8 $\frac{1}{8}$	7 $\frac{1}{4}$
CSE	June, 1969	150	12 $\frac{1}{2}$	12 $\frac{1}{2}$
	July, 1969	1,500	9 $\frac{1}{2}$	9 $\frac{1}{2}$
	August, 1969	700	7	7
	September, 1969	No trading		
	October, 1969	No trading		
	November, 1969	No trading		

Arrangements or Agreements with Directors and Senior Officers of Goldale

No arrangement or agreement has been made or is proposed to be made between Tokar and any of the Directors or Senior Officers of Goldale and no payment or other benefit is proposed to be made or given by way of compensation for loss of office or as to their remaining in or retiring from office if Tokar takes up any Goldale Shares pursuant to the Offer.

Material Changes in Goldale

The Management of Goldale has furnished to Tokar the following information concerning material changes in the financial position or prospects of Goldale since June 30, 1969, the date of the last published interim financial statements of Goldale:

- (i) Under a Trust Indenture dated as of July 15, 1969, between Goldale, of the First Part, and Canada Permanent Trust Company, as Trustee, of the Second Part, Goldale issued on said date \$4,600,000 in principal amount of 8% unsecured convertible redeemable debentures; the debentures are dated as of July 15, 1969, bear interest at the rate of 8% per annum payable half-yearly on the 15th days of January and July in each year, and mature on July 15, 1979, subject to prior redemption after July 15, 1974, and before July 15, 1978, of not more than \$500,000 aggregate principal amount in each twelve month period; the debentures are convertible as to a principal amount of \$1,000 or any integral multiple thereof, at the option of the respective holders thereof, at any time prior to maturity or redemption, into fully paid and non-assessable shares without par value of Goldale as now constituted at a conversion price of \$12 per share, all upon and subject to the terms and conditions more particularly set forth in the Trust Indenture; \$3,000,000 in principal amount of said debentures were purchased by Canadian National Railway Company, Trustee for Canadian National Railways Pension Trust Fund, and the remaining \$1,600,000 in principal amount of said debentures were purchased by a number of other institutional purchasers;
- (ii) Under an Agreement of Purchase and Sale dated September 12, 1969, Millmink Developments Limited (a wholly-owned subsidiary of Aetna Investment Corporation Limited in which latter company Goldale owns a 94% beneficial interest) sold one-half of its Forest Hill property to Graydon Hall Estates Limited for \$5,267,625 (being \$4,125 for each unit to be erected thereon) plus one-half realizations on the sale of each unit over the land acquisition cost, construction cost, interest and taxes, and selling expenses as related to each such unit (depreciation is not included as a cost); Graydon Hall Estates Limited has paid \$790,625 in advance payments on account of the purchase price; provision is made in the Agreement for the giving of transfers of parts of the lands from time to time on payment of a pro rata portion of the total consideration; the consideration is to be paid in full by December 12, 1974;
- (iii) Under an Option Agreement dated September 12, 1969, the said Millmink Developments Limited has agreed to give to the said Graydon Hall Estates Limited an option to purchase the remaining one-half of its Forest Hill property for \$5,461,500 (being \$4,125 for each unit to be erected thereon) plus one-half realizations on the sale of each unit over the land acquisition cost, construction cost, interest and taxes, and selling expenses as related to each such unit (depreciation is not included as a cost); Graydon Hall Estates Limited has paid \$1,000 as consideration for the option and has the right to exercise same up to and including September 12, 1972, upon payment of \$163,000; a further payment of \$655,000 is payable 60 days after the option is exercised and the balance of the consideration is to be paid in full within five years after the latter payment; the other provisions of the Option Agreement, for all material purposes, are substantially the same as the terms of the Agreement of Purchase and Sale referred to in (ii) above.

Tokar does not have any information which indicates any other material change in the financial position or prospects of Goldale since June 30, 1969.

Re Tokar

Reference is made to the Schedule hereto (which forms part of this Take-Over Bid Circular) for further information concerning the affairs of Tokar.

Tokar Directors' Approval

This Take-Over Bid Circular was presented to a meeting of the Board of Directors of Tokar held December 8, 1969, and the contents thereof have been approved and the delivery thereof authorized by the Directors of Tokar.

SCHEDULE

To Take-Over Bid Circular forming part of the Offer by Tokar Limited to
purchase shares of Canadian Goldale Corporation Limited

Tokar Limited

Tokar Limited (Tokar) was incorporated pursuant to the Quebec Mining Companies' Act by Letters Patent dated June 2, 1926, under the name Towagmac Exploration Company Limited (No Personal Liability), with an authorised capital of \$1,000,000 divided into 1,000,000 shares having a par value of \$1 each. By Supplementary Letters Patent dated May 26, 1931, the authorised capital of Tokar was increased to \$1,250,000 by the creation of 250,000 common shares of a par value of \$1 each. By Supplementary Letters Patent dated October 11, 1933, the authorised capital of Tokar was increased to \$2,000,000 by the creation of 750,000 shares of a par value of \$1 each. By Supplementary Letters Patent dated June 20, 1950, the authorised capital of Tokar was increased to \$3,000,000 by the creation of 1,000,000 additional common shares of the par value of \$1 each. By Supplementary Letters Patent dated December 9, 1969, Tokar ceased to be governed by the provisions of the Mining Companies Act and became governed by the provisions of the Companies Act of Quebec, the authorised capital of Tokar was reduced from \$3,000,000 to \$2,999,990 by cancelling 6 issued and 4 unissued shares, the resulting 2,596,660 issued shares and 403,330 unissued shares with a par value of \$1 each were consolidated into 259,666 issued shares and 40,333 unissued shares with a par value of \$10 each and changed into shares without nominal or par value, the paid-up capital was reduced by cancelling paid-up capital so that the paid-up capital is now \$525,371, the authorised capital was increased by the creation of 4,700,001 shares without par value so that the authorised capital of Tokar now consists of 5,000,000 shares without par value (provided that the aggregate consideration for the issue of such shares without par value shall not exceed in amount or value the sum of \$15,000,000 or such greater amount as the Directors of Tokar by resolution may deem expedient on payment of the requisite governmental fees applicable to such greater amount), the purposes and powers of Tokar were varied by adding general investment and real estate development purposes and powers, and the name of the company was changed from Towagmac Exploration Company Limited (No Personal Liability) to Tokar Limited.

Tokar's head and principal office is at Suite 601, 1155 Dorchester Boulevard West, Montreal, Quebec.

Capitalization

Security	Authorized or to be Authorized	Outstanding as of Sept. 30, 1969	Outstanding as of Dec. 12, 1969	To be Outstanding
Bank indebtedness (Note 1)	—	\$ 150,000	\$150,000	\$ 150,000
Share Capital: Shares par value \$1 each (Note 2) ..	3,000,000 (\$ 3,000,000)	2,596,666 (\$1,970,641)	—	—
Shares without par value (Note 2) ..	5,000,000 (\$15,000,000) (Note 3)	—	259,666 (\$525,371)	1,759,666 (Note 4) (\$4,025,371)

- (1) The bank indebtedness is secured by certain of Tokar's investments.
- (2) As set forth under the immediately preceding heading "Tokar Limited", by Supplementary Letters Patent to be dated December 9, 1969, the shares of Tokar were consolidated on a one for ten basis and changed to no par value, and the paid-up capital was reduced from \$1,970,641 to \$525,371.
- (3) The aggregate consideration of \$15,000,000 for which Tokar's shares may be issued may be increased by resolution of the Directors on payment of the requisite governmental fees applicable to such greater amount.
- (4) In the event 500,000 Goldale Shares are tendered under the Offer and 1,500,000 Tokar Shares are issued in respect thereof, the Directors have determined that the value attributable to the Goldale Shares shall be \$7 per share resulting in an increase in capitalization to 1,759,666 shares at \$4,025,371.

Operations of Tokar

From the time of its incorporation in 1926 Tokar's principal undertaking has been the exploration and development of mineral lands and the financing of other mining companies.

Mining Lands

Tokar holds 7 mining claims in the Township of Beauchastel, Quebec, upon which no work is planned at present.

Peel-Elder Limited

Tokar owns a 1.4 per cent beneficial interest in Peel-Elder Limited, a major diversified real estate company engaged in land development, new home construction, apartment and town house construction, leasing and management, industrial construction and leasing and shopping centre development construction, leasing and management.

Shopper's Bowling Lanes Limited

Tokar owns a 25 per cent beneficial interest in Shoppers' Bowling Lanes Limited which operates a bowling alley in Shoppers' World Shopping Centre at 3003 Danforth Avenue, Toronto, Ontario.

Jean Lake Lithium Mines Limited

Tokar owns a 9.99 per cent beneficial interest in Jean Lake Lithium Mines Limited which holds 18 patented mining claims in the Beardmore Area of Northwestern Ontario; surface diamond drilling on these claims has indicated 1,689,000 tons averaging 1.30% lithium oxide; the property has been idle since 1957.

Hewfran Gold Mines Limited

Tokar owns a 13.51 per cent beneficial interest in Hewfran Gold Mines Limited which holds 10 mining claims near Bachelor Lake in Northwestern Quebec.

Coppperville Mining Corporation Limited

Tokar owns a 21.94 per cent beneficial interest in Coppperville Mining Corporation Limited which holds 100 mining claims in the Coppermine River Area of the Northwest Territories.

Canadian Goldale Corporation Limited

As indicated in the accompanying Take-Over Bid Circular, Tokar owns a 2.24 per cent beneficial interest in Canadian Goldale Corporation Limited. In the event that Tokar acquires a further 500,000 Shares of Goldale under the within Offer then Tokar's beneficial interest in Goldale will be increased to 19.73 per cent.

re: Kenneth A. Roberts

Kenneth A. Roberts has taken the initiative in the reorganization of Tokar which is now taking place. He has not received nor is he to receive, directly or indirectly, anything of value from Tokar save and except in respect of pension benefits hereinafter referred to under the heading "Remuneration of Directors and Senior Officers".

Description of Tokar Shares

The shares being offered as consideration for Goldale Shares are fully paid and non-assessable shares without par value in the capital of Tokar.

Holders of the shares of Tokar are entitled to one vote for each share held and are entitled to dividends as and when declared and to participate rateably in any other distribution of the assets of Tokar.

Dividend Record

Tokar has paid no dividends on its outstanding shares in respect of the last five fiscal years preceding the date of the Offer.

Directors and Officers of Tokar

Name and Address	Position with Company	Principal Occupation
KENNETH ALEXANDER ROBERTS..... R.R. No. 2, Pickering, Ontario	President and..... Director	Physician and Executive
CHARLES FERGUSON WATSON..... 1 Peel Village Parkway, Brampton, Ontario	Vice-President and..... Director	President of Peel-Elder Limited
HENRY HUNTER..... 168 Cameron Avenue, Willowdale, Ontario	Secretary-Treasurer and..... Director	Accountant
ARTHUR HESS HONSBERGER..... 18 Pinetree Crescent, Brampton, Ontario	Director.....	Mining Engineer
STANLEY LOUIS JASKE..... 36 Belvedere Boulevard, Toronto 590, Ontario	Director.....	Contract Manager of Royalmetal Corporation Limited

The principal occupation of each of the above-named persons within the five years preceding the date of the Offer has been as indicated opposite their respective names under the heading "Principal Occupation" with the exception of Charles Ferguson Watson who, until his election to his present office in 1969, was President of Peel Village Developments Co. Limited.

Remuneration of Directors and Senior Officers

No direct remuneration was paid or payable by Tokar to any Director nor to the President or Vice-President during the period January 1, 1968, to December 12, 1969. The aggregate remuneration paid or payable by Tokar to the Secretary-Treasurer of Tokar during the year 1968 was \$1,200 and during the period from January 1, 1969, to December 12, 1969, was \$1,200.

The estimated cost to Tokar during the year 1968 of all pension benefits proposed to be paid in the aggregate, directly or indirectly, to the Directors and Senior Officers of Tokar under existing plans in the event of retirement at normal retirement age was \$1,502.

Escrowed Shares

Set forth below are the number of shares of Tokar which were, to the knowledge of Tokar, held in escrow as at December 12, 1969:

<u>Designation of Class</u>	<u>Number of Shares held in escrow</u>	<u>Percentage of Class</u>
Common	42,300	16.29%

All of the escrowed shares were deposited with Crown Trust Company, 302 Bay Street, Toronto, Ontario on or about August 23, 1956. None of the escrowed shares shall be released from escrow nor may they be transferred, alienated, assigned, mortgaged, pledged, charged, hypothecated or otherwise dealt with while in escrow without the written consent of the Toronto Stock Exchange. Any shares released from escrow from time to time shall be released pro rata to the respective registered holders thereof unless the Toronto Stock Exchange otherwise directs. It is probable that the above shares will be released from escrow in the very near future.

Principal Holders of Securities

Set forth below are the number of equity shares of Tokar owned of record or beneficially as at December 12, 1969, directly or indirectly, by each person or company who owns of record or is known by Tokar to own beneficially, directly or indirectly, 10 per cent of any class of such shares:

<u>Name and Address</u>	<u>Designation of Class</u>	<u>Type of Ownership</u>	<u>No. of Shares Owned</u>	<u>Percentage of Class</u>
Canadian Goldale Corporation Limited, Suite 2400, 44 King Street West, Toronto 105, Canada	common	of record and beneficially	31,111	11.98%

At December 12, 1969, the Directors and Senior Officers of Tokar, as a group, beneficially owned, directly or indirectly, .087 per cent of the shares of Tokar.

Prior Sales

No shares of Tokar have been sold by Tokar within the twelve months prior to the date of this Offer.

Interest of Management and Others in Material Transactions

No Directors or Senior Officers of Tokar nor, to the knowledge of the Directors or Senior Officers of Tokar, any person or company who owns beneficially, directly or indirectly, more than 10 per cent of any class of equity shares of Tokar, had any material interest, direct or indirect, in any transaction within the three years prior to the date of the Offer, or in any proposed transaction which, in either such case, has materially affected or will materially affect Tokar or any of its subsidiaries.

Auditors, Transfer Agents and Registrars

The Auditors of Tokar are Touche Ross & Co., Sun Life Building, 200 University Avenue, Toronto, Ontario.

Canada Permanent Trust Company, at its principal offices in Toronto and Montreal, is the Transfer Agent and Registrar for the shares of Tokar.

Consent of Auditors

The consent of Touche Ross & Co. to the inclusion herein of their Report set out on page 10 hereof is reproduced below:

Tokar Limited,
Suite 601,
1155 Dorchester Boulevard West,
Montreal,
Quebec.

We consent to the use in the Take-Over Bid Circular forming part of your Offer dated December 12, 1969, to purchase shares of Canadian Goldale Corporation Limited, of our Auditors' Report respecting Financial Statements of Towagmac Exploration Company Limited (No Personal Liability) which appears on page 10 of the Schedule to the Circular.

(Signed) TOUCHE ROSS & Co.

December 10, 1969.

Interlocking Interests of Directors and Officers

Kenneth Alexander Roberts is the President and a Director of Tokar, as hereinbefore mentioned, and is also the President, General Manager and a Director of Goldale. Charles Ferguson Watson is the Vice-President and a Director of Tokar, as hereinbefore mentioned, and is also the Vice-President and a Director of Goldale. Arthur Hess Honsberger is a Director of Tokar, as hereinbefore mentioned, and is also a Director of Goldale.

AUDITORS' REPORT

The Directors,
Towagmac Exploration Company Limited (No Personal Liability).

We have examined the balance sheet of Towagmac Exploration Company Limited (No Personal Liability) as at September 30, 1969, and the statements of profit and loss and of deficit and of source and application of funds for the five years and nine months ended September 30, 1969, and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we consider necessary in the circumstances.

In our opinion, and as shown by the books of the company, these financial statements present fairly the financial position of the company as at September 30, 1969, and the results of its operations and the source and application of its funds for the five years and nine months then ended, in accordance with generally accepted accounting principles applied on a consistent basis.

(Signed) TOUCHE ROSS & Co.
Chartered Accountants

Toronto, Ontario.
December 8, 1969.

Note to Financial Statements

Subsequent Events

- (1) By Supplementary Letters Patent, to be dated December 9, 1969,
 - (i) the name of the Company was changed from Towagmac Exploration Company Limited (No Personal Liability) to Tokar Limited
 - (ii) the issued and paid up capital of the Company were consolidated on a one for ten basis and changed to no par value. The paid-up capital was reduced from \$1,970,641 to \$525,371
 - (iii) the authorized share capital was increased to 5,000,000 shares of no par value.
- (2) In the event 500,000 Goldale Shares are tendered under the Offer and 1,500,000 Tokar Shares are issued in respect thereof, the Directors have determined that the value attributable to the Goldale Shares shall be \$7 per share resulting in an increase in capitalization to 1,759,666 shares at \$4,025,371.

TOWAGMAC EXPLORATION COMPANY LIMITED
(No Personal Liability)

(Incorporated under the Quebec Mining Companies Act)

BALANCE SHEET AS AT SEPTEMBER 30, 1969

(with unaudited comparative figures for 1968)

	<u>ASSETS</u>	<u>1969</u>	<u>1968</u> (Unaudited)
CURRENT			
Cash.....		\$ 3,606	\$ 180
Accounts receivable.....		—	307,953
Deposit with mining recorder.....		—	7,200
		<u>3,606</u>	<u>315,333</u>
Advances to Hewfron Gold Mines Limited.....		5,579	4,479
Investment in mining and other securities, at cost			
Listed securities (quoted market value \$796,695).....		736,452	171,064
Unlisted securities (no quoted market value).....		39,494	40,794
8% Demand note receivable.....		—	10,000
Mining claims, at cost.....		1,711	15,837
Deferred exploration expenses.....		—	13,558
		<u>\$ 786,842</u>	<u>\$ 571,065</u>

	<u>LIABILITIES</u>	<u>1969</u>	<u>1968</u> (Unaudited)
CURRENT			
Bank indebtedness (secured).....		\$ 150,000	\$ —
Accounts payable and accrued liabilities.....		111,471	5,858
		<u>261,471</u>	<u>5,858</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK (Note)			
Authorized			
3,000,000 shares of \$1.00 each par value			
Issued and fully paid 2,596,666 shares.....	\$2,596,666		
Deduct discounts, less premiums thereon.....	<u>626,025</u>		
		1,970,641	1,970,641
Deficit.....		1,445,270	1,405,434
		<u>525,371</u>	<u>565,207</u>
		<u>\$ 786,842</u>	<u>\$ 571,065</u>

On behalf of the Board

(Signed) K. A. ROBERTS Director

(Signed) H. HUNTER Director

TOWAGMAC EXPLORATION COMPANY LIMITED
(No Personal Liability)

STATEMENTS OF PROFIT AND LOSS AND OF DEFICIT
FOR THE FIVE YEARS AND NINE MONTHS ENDED SEPTEMBER 30, 1969

	Nine Months ended September 30, 1969	Nine Months ended September 30, 1968 (Unaudited)	For the year ended December 31			
			1968	1967	1966	1965
Interest and dividends.....	\$ 2,036	\$ 3,687	\$ 5,923	\$ 9,870	\$ 9,653	\$ 2,203
Pension plan.....	1,127	1,127	1,502	1,502	1,502	1,500
Administrative and general expense.....	2,104	2,012	2,695	2,208	1,876	1,456
Corporation expense.....	1,694	1,633	2,134	1,960	984	933
Legal fees.....	750	1,235	1,672	1,983	854	753
Audit fees.....	500	225	725	275	275	275
Sundry taxes.....	109	225	225	222	84	92
Directors fees.....	—	—	450	—	—	—
Interest.....	4,454	2,174	2,233	—	—	—
	10,738	8,631	11,636	8,150	5,575	5,009
(Profit)/loss.....	\$ 8,702	\$ 4,944	\$ 5,713	(\$ 1,720)	(\$ 4,078)	\$ 2,806
Deficit at beginning of period.....	\$1,438,003	\$1,635,739	\$1,635,739	\$1,628,203	\$1,753,378	\$1,744,960
(Profit)/loss for the period.....	8,702	4,944	5,713	(1,720)	(4,078)	2,806
	1,446,705	1,640,683	1,641,452	1,626,483	1,749,300	1,747,766
(Gain)/loss on disposal of securities.....	(1,435)	(235,249)	(235,249)	9,256	121,097	(1,892)
Mining claims and deferred exploration expenses written-off.....	—	—	31,800	—	—	—
Write-down of investments.....	—	—	—	—	—	8,144
Goldale Syndicate distribution.....	—	—	—	—	—	(640)
Deficit at end of period.....	\$1,445,270	\$1,405,434	\$1,438,003	\$1,635,739	\$1,628,203	\$1,753,378
						\$1,744,960

TOWAGMAC EXPLORATION COMPANY LIMITED
(No Personal Liability)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE FIVE YEARS AND NINE MONTHS ENDED SEPTEMBER 30, 1969

	Nine Months Ended September 30, 1969	Nine Months Ended September 30, 1968 (Unaudited)	For the year ended December 31				
			1968	1967	1966	1965	1964
SOURCE OF FUNDS							
Net profit.....	\$ —	\$ —	\$ —	\$ 1,720	\$ 4,078	\$ —	\$ —
Proceeds from sale of investments	2,735	401,222	402,636	49,495	268,472	3,650	45,699
Goldale Syndicate Distribution.....	—	—	—	—	—	640	—
Refund of 8% demand loan.....	10,000	—	—	—	—	—	—
Decrease in working capital.....	250,937	—	149,610	27,794	—	30,055	—
	<u>\$263,672</u>	<u>\$401,222</u>	<u>\$552,246</u>	<u>\$79,009</u>	<u>\$272,550</u>	<u>\$34,345</u>	<u>\$45,699</u>
APPLICATION OF FUNDS							
Net loss.....	\$ 8,702	\$ 4,944	\$ 5,713	\$ —	\$ —	\$ 2,806	\$ 2,468
Purchase of investments.....	253,596	220,968	534,174	57,742	96,668	31,418	36,528
Advances to Hewfran Gold Mines Limited	1,100	529	529	750	750	—	300
Additional mining claim costs.....	274	274	274	274	274	121	121
Purchase of copper mine.....	—	—	—	14,400	—	—	—
Exploration on mining claims.....	—	7,713	11,556	5,843	—	—	—
8% demand note receivable.....	—	—	—	—	10,000	—	—
Increase in working capital.....	—	166,794	—	—	164,858	—	6,282
	<u>\$263,672</u>	<u>\$401,222</u>	<u>\$552,246</u>	<u>\$79,009</u>	<u>\$272,550</u>	<u>\$34,345</u>	<u>\$45,699</u>

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File

TOKAR LIMITED

December 12, 1969.

TO: Holders of Shares of Canadian Goldale Corporation Limited (other than those resident in the United States of America or in the territories or possessions thereof).

We are pleased to furnish you with the following documents:

1. An Offer by Tokar Limited to purchase 500,000 issued and outstanding shares of Canadian Goldale Corporation Limited, to which is annexed a Take-Over Bid Circular by Tokar Limited providing detailed information with respect to the Offer; and
2. A Letter of Transmittal to accompany your Share Certificate(s) and an envelope.

Please read the enclosed documents carefully as they require a decision on your part which must be made within the time limit specified.

Because of the interlocking interests of certain Directors and Officers of Tokar Limited and Canadian Goldale Corporation Limited, as set forth in the Schedule to the aforementioned Take-Over Bid Circular, it is understood that the Board of Directors of Canadian Goldale Corporation Limited does not propose to take any action or make any recommendation to the Shareholders of Canadian Goldale Corporation Limited in respect of this Offer.

We also wish to point out that the changes in Tokar Limited resulting from the issuance of Supplementary Letters Patent dated December 9, 1969, (particulars of which are set forth in the Schedule to the aforementioned Take-Over Bid Circular), may result in the delisting of the shares of Tokar by the Toronto Stock Exchange as it will no longer qualify for listing as a mining company. In the past, the Toronto Stock Exchange has transferred some reorganized mining companies to transitional listing pending industrial listing qualification.

If you accept this Offer you should complete the Letter of Transmittal and forward it with your Share Certificate(s) in accordance with the instructions set forth therein.

Yours very truly,

TOKAR LIMITED.

K A Roberts

President.

LETTER OF TRANSMITTAL
SHARES OF CANADIAN GOLDALE CORPORATION LIMITED

(To be completed if you wish to sell your Goldale Shares)

TO: Canada Permanent Trust Company,
1901 Yonge Street, Toronto 295, Canada,
(the Exchange Agent).

The undersigned hereby accepts the Offer of Tokar Limited (Tokar) dated December 12, 1969 to purchase shares (Goldale Shares) in the capital of Canadian Goldale Corporation Limited (Goldale), on the terms and conditions therein and herein set forth and hereby deposits the following certificates representing Goldale Shares properly endorsed for transfer or accompanied by an appropriate stock power of attorney:

<u>Certificate Number</u>	<u>Number of Goldale Shares represented by certificate</u>	<u>Number of Goldale Shares tendered*</u>
.....
.....
.....
.....
.....
.....

*All Goldale Shares represented by certificates listed are deemed to have been tendered unless otherwise indicated above.

Note: If space is inadequate, certificate numbers and number of Goldale Shares represented and tendered may be listed on a separate schedule to be affixed hereto.

The undersigned hereby warrants that the undersigned has full authority to sell and transfer the tendered Goldale Shares and that on its purchase thereof Tokar will acquire good title thereto, free and clear of all liens, charges, encumbrances and adverse claims.

In consideration of the Offer and payment of the consideration specified therein, the undersigned hereby irrevocably sells, assigns and transfers, subject to the right of withdrawal referred to in the Offer, to or to the order of Tokar, the Goldale Shares tendered hereby and any dividends or other distributions with respect thereto declared or made by Goldale to shareholders of record on or after December 12, 1969.

You are to deliver the certificates representing the Goldale Shares being purchased, together with all accompanying evidences of authority, to or to the order of Tokar against receipt by you as agent for the undersigned of the consideration therefor. Delivery by you of such Goldale Shares to or to the order of Tokar shall be conclusive as to the performance of all conditions necessary to make this Letter of Transmittal effective, but payment therefor shall be made only upon delivery of, or deduction for, all dividends or other distributions sold, assigned and transferred hereby.

If all Goldale Shares tendered by the undersigned are not purchased by Tokar under the Offer, certificates representing the Goldale Shares not purchased shall be returned to the undersigned by you.

In consideration of your accepting delivery of certificates for other Goldale Shares on like terms, the undersigned hereby agrees that the undersigned has no right to withdraw the aforesaid certificates delivered herewith after January 5, 1970.

Please mail to the undersigned a certificate in the name of the undersigned for the shares of Tokar at the address shown below.

The undersigned understands and agrees that you shall not be liable hereunder for any act or omission of Tokar.

Dated....., 19.....

Please
Sign here

Signature of registered holder

(Must be signed by registered holder exactly as name appears in certificate or by any person authorized to become registered holder by certificates and documents transmitted.)

Please
Print Address.....
Number and Street

.....
Municipality and Province

PLEASE READ CAREFULLY THE INSTRUCTIONS ON THE BACK HEREOF

INSTRUCTIONS

For completing the transfer of your Goldale Shares and the Letter of Transmittal

1. Each certificate for Goldale Shares must be duly endorsed in blank for transfer or accompanied by an appropriate stock transfer power duly executed in blank, with signature guaranteed by a Canadian chartered bank or trust company or by a firm having membership on the Toronto, Montreal or Vancouver Stock Exchanges or in The Investment Dealers' Association of Canada, or in some other manner satisfactory to Canada Permanent Trust Company. The signature must be identical with the name on the face of the certificate.

2. If a share certificate and/or stock transfer power and/or this Letter of Transmittal is executed by an officer on behalf of a corporation, or by an executor, administrator, trustee, guardian, attorney, agent or other person acting in a fiduciary or representative capacity, proper documentary evidence must be furnished of the authority of the person signing. Questions regarding such evidence of authority may be referred to any office of Canada Permanent Trust Company.

3. If a share certificate and/or stock transfer power and/or this Letter of Transmittal is executed by a married woman, she must, if her husband's authorization is required, be authorized by her husband by means of his setting forth under the guarantee of her signature the words "to authorize my wife" and adding his signature which must be guaranteed in the manner described in 1 above.

4. Tokar will pay all security transfer taxes payable to any Province of Canada upon the transfer to or to the order of Tokar of tendered Goldale Shares. If, however, any additional security transfer taxes are payable by reason of the Offer being accepted by a person, firm or corporation other than the registered holder of the Goldale Shares, the amount of such additional taxes are payable by such person, firm or corporation.

5. The method of delivery of the share certificates, the Letter of Transmittal and other documents, if any, is at the option and risk of the holder, but delivery will only be effective on actual receipt by Canada Permanent Trust Company at its address mentioned on the face hereof.

6. Payment of the consideration for Goldale Shares tendered will be made only upon receipt by Canada Permanent Trust Company of, or after deduction for, all dividends or other distributions sold, assigned and transferred by the Letter of Transmittal.

7. Holders who wish to forward their certificates and the Letter of Transmittal by mail are advised to use registered and/or insured post for their own protection.

8. For your convenience there is enclosed an envelope which may be used in forwarding the share certificates, Letter of Transmittal and other documents, if any.

Investment Dealer or Broker, if any, through whom delivery of Goldale Shares effected.

Name

Address